

Message Text

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42

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 SS-20 NSC-07 FRB-03 INT-08

CIEP-03 CIAE-00 DRC-01 RSC-01 /091 W
----- 020759

P R 240930Z JUL 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 6093

INFO AMEMBASSY BONN

AMEMBASSY BERN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMCONSUL MILAN

AMCONSUL NAPLES

AMEMBASSY OTTAWA

USMISSION OECD PARIS

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

TREASURY DEPARTMENT WASHDC PRIORITY

UNCLAS ROME 10164

C O R R E C T E D COPY (BERN ADDED AS INFO ADDRESSEE)

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJECT: ITALIAN EXCHANGE OFFICE PUTS CEILING ON NET FOREIGN
DEBT OF COMMERCIAL BANKS

REF: ROME 10010 DATED JULY 19, 1974

PASS SECRETARY SIMON AND PARTY IN LONDON

1. ITALIAN EXCHANGE OFFICE INFORMED ITALIAN COMMERCIAL
BANKS JULY 23 THAT THEY MAY NOT INCREASE THEIR NET FOREIGN
DEBT BEYOND FIGURE OUTSTANDING ON JULY 19. EXCHANGE OFFICE
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ALSO HAS REQUESTED STATISTICAL DATA ON BREAKDOWN OF

COMMERCIAL BANKS' FOREIGN DEBT AS OF THAT DATE. (SEE REFTEL.)

2. ACTION BY EXCHANGE OFFICE IS ATTRIBUTED BY ITALIAN PRESS TO TWO REASONS: FIRST, NEED TO AVOID CIRCUMVENTION OF TIGHT DOMESTIC CREDIT POLICY BY FOREIGN BORROWING, AND SECOND, DESIRE TO LIMIT SHORT-TERM FOREIGN BORROWING IN HOPE THAT THIS WILL MAKE MEDIUM-TERM BORROWING EASIER.

3. PRESS ALSO NOTES THAT RECENT INCREASE IN COMMERCIAL BANK BORROWING, WHICH HAS REDUCED PRESSURE FOR CONTINUED CENTRAL BANK INTERVENTION TO SUPPORT LIRE IN EXCHANGE MARKETS, HAD CREATED CERTAIN DEGREE OF SUPERFICIAL OPTIMISM IN RECENT WEEKS, BOTH CONCERNING RELAXATION OF TIGHT CREDIT CONDITIONS AND REGARDING APPARENT IMPROVEMENT IN BALANCE OF PAYMENTS.VOLPE

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Message Attributes

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Draft Date: 24 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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30 JUN 2005

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TAGS: EFIN, IT
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Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005